Project Initiating

Purpose: Project initiating recognizes the need for a project and determines when to place this need into the project management process for discussion.

Objectives:

- Determine if a project is needed to solve a problem or to achieve a business objective.
- Provide a draft scope and understanding of the preliminary scope.
- Gain initial input and support from upper management, leadership and resources.
- Discuss project priority as compared to other organizational goals and projects.
- Set foundational customer expectations and conduct basic requirements.

Project initiating includes gaining an understanding of the requirements and deliverables of the project. Concept development of a project can be defined as the preliminary scope and discussions of the project in its early stages.

During the concept phase of a project, the project customer is talking through the basic concepts for the project and reference to goals, deliverables, price, and length of time. During the concept phase, it is possible the scope will reshape itself several times in aligning itself to budget, schedule, and goals.

Prior to a project plan being developed, it is important that the Project Manager and/or Project Team gain concrete descriptions of the project for beyond the concept.
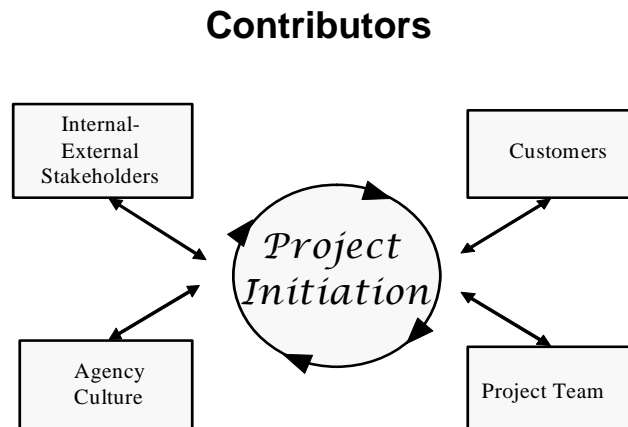
Project Initiating

The Initiating Process

This portion of the Project Management Methodology establishes the conceptual view and general definition of a project.

This starting point is critical because it is essential for those who will ultimately produce the desired project deliverables, those who will use those deliverables and those who have a stake in the project to reach agreement on the problem and its solution. The process is represented in the figure below.

Contributors

Elements of the Initiating Process

This first section defines the general guidelines for defining the overall parameters of the project. The following sections have been organized to be consistent with how a project might progress through the initiating process.

The Environment of Initiating

The atmosphere during the initiating process is marked by a great deal of unknown.
- Pre-scope concepts of project are loosely defined.
- Goals are unclear.
- Project's authorization is questionable.

Solutions for Assisting in Initiating

- Create a detailed business case.
- Draft initial deliverable listing.
- Draft the scope requirements.

Project Pre-scope Concepts

During the pre-scope stage, the project stakeholders have a loose idea of what they desire for the project to achieve. In many cases this concept will go through several discussions and changes prior to being assigned to a Project Team.

Pre-scope is normal for a project and assists the customer in understanding what they want prior to creating the business case and assigning resources. When pre-scope is rushed and the customer has not analyzed what they really want to achieve with a project, there is a higher likelihood of the scope being changed. Each change takes up valuable time which is needed to plan the project and coordinate the resources being applied.
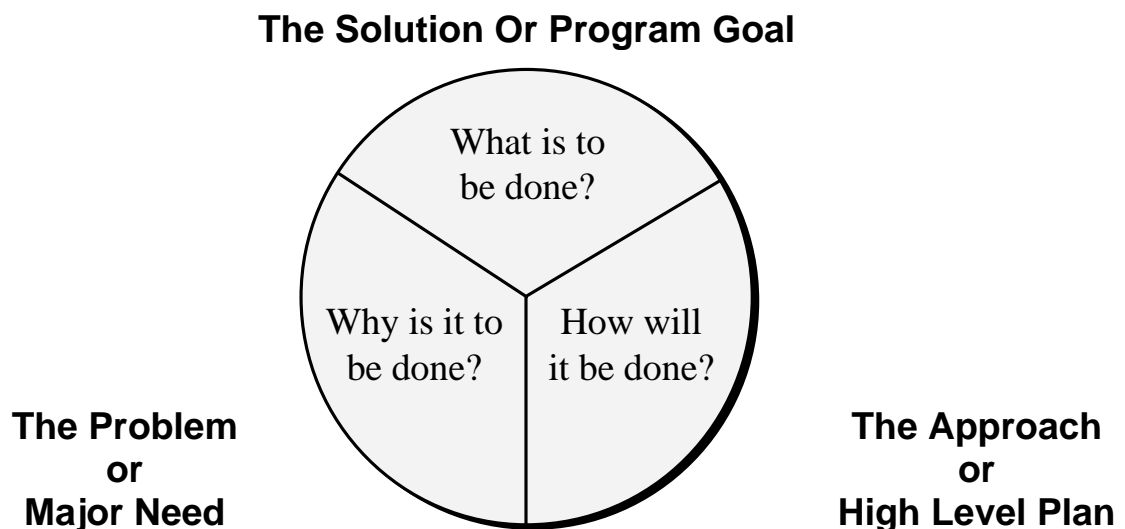
A Plan for Planning

Planning for the creation of a draft plan and estimate for the customer requires effort in itself and must also be realistic based on the potential size of the project. This information is important for gaining immediate feedback from the customer as to whether or not to proceed with creating a more detailed plan. One of the techniques many agencies have implemented is a fast streamlined way of giving a first pass estimate and time estimation to the customer. If the customer likes this estimate, the Project Team can then give more time and detail to creating a frozen scope and plan.

Projects or Programs

Quite often several separate projects are required to accomplish an agency's business goals and objectives. This collection of related projects is referred to as a program.

Major Questions To Be Answered During The Initiating Process Group

The Solution Or Program Goal

What is to
be done?

Why is it to
be done?

How will
it be done?

**The Problem
or
Major Need**

**The Approach
or
High Level Plan**

Business Case

How to Develop a Business Case

First, a team of individuals is created to develop the Business Case. This team is referred to as the Initiating Team. The team should consist of a Project Sponsor, a Steering Committee, a Project Manager and other technical, functional and administrative members as necessary to develop the document. The Business Case defines the project's charter and helps ensure that the project is consistent with the organization's business plan and strategic plan. It also defines a high-level approach for addressing the goals of the charter and other top-level planning information. Ideally, the information contained in the Business Case provides management with the information necessary to decide if the project should be supported and funded.

The Business Case should not be a collection of technical information, but should state what is to be done, why it is to be done, and how it will be done.

The Business Case and related business analysis are preliminary to developing a detailed Project Plan for each project defined in the Business Case.

Projects will vary in terms of complexity, but all should have some level of initial concept definition. For some projects, it may take only a few days to complete. For others, it could take years. In this case, the solution should be divided up into smaller projects which collectively solve a common business problem. This process is critical to guaranteeing buy-in for a project, improving the ability to plan carefully and greatly increasing the likelihood of success.

Timeframe for Completion

The general timeframe for most customers and project teams to complete a Business Case varies widely and is driven by many different factors. Each situation is unique and will require different levels of detail, research, and development.

Elements of the Business Case

During this part of the initiating process, the Project Team defines the:

- Project charter which includes:
  - The business problem or need
  - The project goals
  - The project objectives
  - The project success factors
- High-level approach and strategy
- High-level cost estimates for each anticipated project in the program

- Assumptions made during the development of the Business Case.

The Project Team may also review information and conduct meetings to consider things like:

- Preliminary "build versus buy" solution

- Appropriate methods for application and deployment of technology

- General resource requirements and constraints such as skills, architecture, facilities, time or money. Assumptions regarding these issues must be documented in the Business Case.

The materials generated within this process will be used to evaluate the appropriateness of a specific project.

Do *not* generate a voluminous document, but rather provide a concise summary of information to determine if the project should be supported.

Who Does What?

The levels of responsibility are:

- The **Project Manager** assists in developing the Business Case and orchestrating or facilitating the initiating process.

- The **Project Team,** for providing analysis, research and support.

- The **Steering Committee (optional),** representing the State, for reviewing the information and participating in the review sessions.

- The **Stakeholders and Customers,** for providing input and other processes to define and freeze the scope of the project.

Developing the Business Case

There are various methods for developing the needed information that the Project Team may need. These methods include things like:
- Brainstorming sessions
- Executive interviews
- Examination of historical data
- Stakeholder meetings
- Technology research
- Interviews with project experts
- Vendor demonstrations
- Requests for Information (RFI)
- Visits to peer or related organizations.

These methods should be aimed at defining the Business Case at the highest conceptual level that provides the necessary project charter and implementation strategy. The Project Teams should avoid developing detailed requirements documents or developing detailed project plans at this point.

Business Case Form

The form designed to document the Business Case is PM-01. A copy of a blank form is located in Appendix B.

Business Case Example

An example of a completed Business Case is located in Appendix D. This example is included to indicate how the document should be completed. It does not necessarily reflect an ideal example or an ideal model for you to use. A perfect Business Case is one that:

- Effectively communicates all of the concerns of a Business Case. It should do it so effectively that the reader understands and sees the problem and solution in the same way as the author.
- Is written concisely. A Business Case should include all of the facts relevant to the project, but it should be no longer than necessary.
- Represents a consensus of the participants. The process of developing the Business Case is as important as the final product.
- Is consistent with the strategies of the organization.
- Is consistent with all technical architectural standards.
- Has been reviewed by a variety of subject matter experts to ensure all issues have been considered.
- Includes all of the assumptions used to develop the document. The assumptions are used to help the reader understand the basis for all cost figures found in the Business Case.
- Can be used to help "sell" the project to others.

Alternate Approaches to the Preparation of a Business Case

As a Project Manager preparing a Business Case, you can ask focused questions of the Sponsor and other members of the Initiating Team. This is a time of learning, building trust and opening communication channels. You are partners at this point and your success depends on the trust you build at this stage.

The scope description is probably the most important and the most difficult part to develop. In addition, sometimes documenting what is out of scope is as important as what is in scope. Defining what the scope is helps clarify the concerns for all participants.

Project Initiating

Level of Detail

The level of detail needed for a business case will differ depending on the size of the project and the requirements of each agency. It is highly recommended that the agency determines what is classified as a small, medium, and large project.

Classing the size of the project can be specified based on the number of hours estimated to complete the project or amount of dollars to complete the project.

Example: One agency might set a small project at 25 hours while other agencies might determine it should be 400 hours. Regardless of the levels set, it must be clearly communicated to the organization and all project team members.

It is important to also determine what level of work is not to be considered a project. For example, an agency might determine a project under 25 hours is to be a work effort which can follow some of the project management processes if desired but is not mandated to create a business case, plan and risk analysis.

Projects that are very high risk should be documented the same as large regardless of the dollars to be expended. The following section defines three different levels of documentation for the three different sizes. This is only to be used as a sample and not mandated.

Three Different Formats of a Business Case

The level of detail and the definition of what is a small, medium and large project must be determined by the particular agency. Each agency has different requirements and definitions which must be pointed out through internal lines of communication. However, the role of the best practices is to state that each of the three formats will have a different level of documentation based on the size specifications of the project.

If the agency has not done so, there must be discussions and definitions of what is a small project, medium and large project.

Example: "Y Agency states that projects are defined as follows:
Anything which is under 50 hours is not a project but a work item and will not need to be run like a project. The team might use components of project management but are not mandated to use the level of documentation as specified in the best practices.

Small projects 50 to 99 hours
Medium projects 100 to 499 hours
Large projects 500 hours or more"

This is to serve as an example not to mandate the usage of the sizes but only as a sample to demonstrate the ideas presented in this section.

A. Business Case for a Small Project

Confirm the requirements as stated in their request and the priority of the request. Inform them of the expected start and completion dates and any tasks which they must perform. Discuss contingencies which could affect the plan. Document all discussions with a follow-up note.

Sample Follow-up Note
To: Customer/Business Process Owner
From: Project Manager
Subject: DPSR 012345

Based on our conversation this afternoon, we will assign staff to work on this DPSR starting Monday. The requirements stated on the DPSR have not changed except the related system changes described will not occur at this time. Therefore, this project will add the operator's initials to the note that is generated when an address is changed. We expect to complete unit and system test by May 15. Your staff will need to complete acceptance testing the 16th if we are to release this in time for the next production run on Friday the 17th.

If this enhancement is not accepted on this schedule, we will run the manual process we have been using for the past three months again on the 17th and correct our problems to get this into production the following week.

B. Business Case for a Medium-Sized Project

The Business Case for a medium sized project is more formal than the documentation of a small project but not as detailed as a medium Business Case. You may use the structure of the Business Case and simply provide less detail.

C. Business Case for a Large Project

For a major project for your agency, use the standard Business Case form. It should be completed carefully and concisely. A well prepared Business Case will lay the foundation for good project planning and will greatly improve the probability of success for all participants. It may be tempting to jump right into the planning, or even right into the project execution itself. But, by studying thousands of projects, we have learned that projects that start correctly have a much higher success rate than those that don't start well. Starting well includes developing a good Business Case. In addition, a strong Business Case becomes more and more significant as the size of the project, the risks of the project and the impact on the organization increases.

Project Charter

Creating a Project Charter

The project charter follows the project summary information and is completed in the planning process. It includes a business problem, statement of work, objectives, success factors, project dependencies, constraints and assumptions. A sample of the completed information is shown below.

The Major Elements of a Project Charter (Sample Information)

Business Problem

All projects start with a business problem/issue to solve.

> The lack of a statewide automated planning system for scheduling transportation road repair maintenance resources has resulted in road closures, duplicated capital expenditures and increased staff overtime costs.

Statement of Work / Goal / High-level Project Scope Statement

The statement should be short and to the point.

> Design and prototype an automated, dynamic planning system by Q4, 20XX, based on an SQL database and GUI front end. Based on the prototype, pilot the system and complete full implementation by Q4, 20XX.

Project Objectives / Detailed Project Scope Statement

Provide a brief, concise list of what the project is to accomplish. The project objectives are a detailed version of the statement of work. Taken with the statement of work, the objectives define the boundaries (scope) of the project. The objectives statement can also be seen as a decomposition of the statement of work into a set of necessary and sufficient objective statements.

> **Short-Term**
> 1. Define the planning requirements for the system.
> 2. Define customer needs in terms of inputs and outputs.
> 3. Develop the prototype and test.
> 4. Conduct the pilot of system with completion by Q2, 20XX, with the pilot lasting at least three months.
> 5. Complete acceptance and customer documentation.
> 6. Complete installation at all locations by Q4, 20XX.
>
> **Long-Term**
> 7. Substantially reduce road maintenance cost over the next several years.

Success Factors:

List the factors that will be used to determine the success of the project. The success factors should be quantitative and clear to ensure they can be measured. The short-term success factors are the factors that are used to determine if the project is complete. The long-term success factors are the factors that determine if the project was successful in the long term.

> **Short-Term**
> 1. Have all locations installed and trained by the end of Q1, 20XX.
>
> **Long-Term**
> 1. Reduce total maintenance project cost by 3% per year in the 12 months following implementation.
> 2. Reduce total maintenance project cost by 5% per year in the subsequent following 12 months.

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